

TEACHERS' RETIREMENT BOARD
BUDGETS AND AUDITS COMMITTEE

SUBJECT: Approval of Minutes of July 13, 2000 Meeting

ITEM NUMBER: 2

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: October 12, 2000

INFORMATION: _____

PRESENTER(S): Chairperson

Please see the attached minutes of the July 13, 2000, Budgets and Audits Committee meeting.

PROPOSED
MINUTES OF THE
BUDGETS AND AUDITS COMMITTEE
OF THE
TEACHERS' RETIREMENT BOARD
THURSDAY, JULY 13, 2000
FIRST FLOOR BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA

COMMITTEE MEMBERS PRESENT

George Fenimore, Chairperson
Yvonne Gallegos Bodle
Lillian Raffel
Emma Zink
Walter Barnes, representing the State Controller, Kathleen Connell
Jennifer DuCray-Morrill, representing the State Treasurer, Philip Angelides
Annette Porini, representing the Director of Finance, B. Timothy Gage

STAFF PRESENT

James D. Mosman, Chief Executive Officer
Christopher Waddell, Chief Counsel
Peggy Plett, DCEO, Administration
Michael Carter, DCEO, Client Benefits and Services
Laurence Martin, DCEO, Information and Financial Systems
Ed Derman, DCEO, External Affairs, and Program Development
Cynthia Brady, Fiscal Officer, Administration Branch
Way Lee, Director, Office of Audits
Mary Miles, Administrative Assistant

OTHERS PRESENT

Dorothy Moser, UTLA-R
Lois Shive, CTA
George Wichman, CTA
Al Reyes, UTLA
Michael Green, CTA

A quorum being present, Chairperson Fenimore called the meeting to order at 8 a.m.

II. **APPROVAL OF MINUTES OF APRIL 6, 2000 MEETING**

MOTION duly made by Ms. Zink, seconded by Ms. Raffel, and carried to approve the Minutes of the April 6, 2000 meeting.

III. **ANNOUNCEMENTS**

Ms. Plett introduced Ms. Cynthia Brady, the new Fiscal Officer.

IV. **2001/2002 PROPOSED BUDGET**

Ms. Plett presented the 2001/2002 Proposed Budget. Staff was directed to come back in October with more detailed information on the Budget Change Proposal requests and to identify whether the requests are workload-related or due to legislation.

V. **2000/2001 ANNUAL AUDIT WORKPLAN**

Mr. Lee presented this item. Staff was directed to provide a breakdown of 100% of the average auditor's time and the amount of time devoted to audits.

MOTION duly made by Ms. Zink, seconded by Ms. DuCray-Morrill, and carried to approve the 2000/2001 Annual Audit Work Plan.

Discussion ensued regarding appropriate follow-up procedures on school districts audits to insure corrections have been taken. Staff was directed to come back with follow-up procedures for the Committee's review. Mr. Mosman stated the need to add a future agenda on reengineering school district audits.

VI. **1999/2000 BUDGET STATUS REPORT**

Ms. Plett stated that the final report would be presented at the next meeting.

VII. **2000/2001 BUDGET STATUS REPORT**

Ms. Plett presented this item.

VIII. **EXECUTIVE EXPENSE ACCOUNT**

Ms. Plett presented this item.

IX. **QUARTERLY AUDIT STATUS REPORT**

Mr. Lee provided updated information on the Berkeley Unified and Hayward Unified School District reports.

X. **SCHOOL DISTRICT FINAL AUDIT REPORT**

Mr. Lee reported the results of two audits: San Diego Community College District and the North Sacramento School District. Staff was asked to review the North Sacramento School District audit to determine if the school district is liable for retroactive contributions.

XI. **INTERNAL AUDITS FINAL REPORT**

Mr. Lee provided a status report on all internal audits completed since January 1997. Staff was directed to revise the process by including a verification step prior to indicating that no further action is required.

XII. **DRAFT AGENDA FOR THE OCTOBER BUDGETS AND AUDITS COMMITTEE MEETING**

Staff was directed to add two items to the agenda: Breakdown of the auditors' time used in the Audit Workplan and school district audit procedures amendment to include a follow-up process to verify corrections have been made.

XIII. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

Ms. Moser, UTLA-R, commented on the need to change the law as to the use of the postmark date as opposed to the receipt date to record the date an application is received.

XIV. **ADJOURNMENT**

Chairperson Fenimore adjourned the Committee meeting at 9:15 a.m.

James D. Mosman, Chief Executive Officer
and Secretary to the Teachers' Retirement Board

George Fenimore, Chairperson